


MEMORANDUM

To: SWALCO Directors and Alternates

From: Walter S. Willis, Executive Director 

Subject: June 2009 Meeting Notice Information

Date: June 18, 2009

Attached you will find the agenda for this month's meeting, minutes from our March 2009 meeting, and the referenced consent, action and information items.

Due to the number of items we have to cover there will be no guest speaker this month. We have a lot to report to the Board since our last meeting in March.

I look forward to seeing you all at this month's meeting in Hainesville on June 25, 2009 at 7 pm. Please let Barb know whether you or an alternate will be attending the meeting or not.

**SOLID WASTE AGENCY OF LAKE COUNTY, IL
BOARD OF DIRECTORS
THURSDAY, JUNE 25, 2009 - 7:00 P.M.
HAINESVILLE VILLAGE HALL
100 N. HAINESVILLE ROAD, HAINESVILLE, IL 60030**

AGENDA

1. **CALL TO ORDER**.....Chairman
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**.....Secretary
4. **APPROVAL OF MINUTES**.....Committee
4.1 Minutes of March 26, 2009
5. **PUBLIC COMMENT**
6. **NEW AGENDA ITEMS**
7. **BOARD ITEMS**Executive Director

Consent Items

1. Expenditure Report

Action Items

1. Insurance Renewal – Not in packet
2. 2008 Audit Approval

Information Items

1. Reuse-A-Shoe Program Results
2. Department of Transportation (DOT) Packaging Requirements for Alkaline Batteries
3. April and May Household Chemical Waste (HCW) Results
4. 1st Quarter 2009 Recycling and Per Ton Payment Report
5. 2008 Illinois EPA Municipal Waste and Recycling Survey
6. Budget Update
7. Amendment to the SWALCO Intergovernmental Agreement
8. Legislative Update
9. Status of the 2009 Plan Update
10. Health Department Report
11. Community Outreach
12. Earth Flag Program – 2008 to 2009 School Year
13. Project and Program Updates

9. **BOARD MATTERS**

Three letters of nomination were received for the three ending terms on the Executive Committee: Kent Street, Deerfield; Glenn Ryback, Wadsworth; and Jackie Soccorso, Wauconda
All three letters of nomination were accepted and approved by the Executive Committee

10. **EXECUTIVE SESSION - IF NEEDED**

11. **ADJOURNMENT**

MINUTES

SOLID WASTE AGENCY OF LAKE COUNTY, IL
BOARD OF DIRECTORS
THURSDAY MARCH 26, 2009 7:30 P.M.
100 N. HAINESVILLE ROAD, HAINESVILLE, IL

MEMBERS ATTENDING: See Attachment 1, *Sign-In*, and Attachment 2, *Voting Record*.

PLEDGE OF ALLEGIANCE

CALL TO ORDER

Chairman Mount called the meeting to order at 7:04 p.m. with 23 members present.

Chairman Mount asked for any new members to introduce themselves.

John Harahan, Fox Lake Treasurer.

APPROVAL OF MINUTES

Motion by Lake Bluff, seconded by Hainesville to approve the minutes of January 22, 2009. Motion was approved.

PUBLIC COMMENT

None.

NEW AGENDA ITEMS

A 4. Amendment to the Solid Waste Management Plan Update

PRESENTATION - Alternative Technologies

Mr. Willis welcomed the members of the Citizen Advisory Committee who were attending the Board meeting to listen to information that could be relevant to the Solid Waste Management Plan Update being done this year.

This technology could be used by Lake County in the future when landfill space runs out.

Mr. Willis introduced Dean Tibbs, President of Advanced Energy Strategies, Inc. and Clark Wiedetz, General Manager, Alternative Energy from Siemens Building Technologies, Inc.

Mr. Tibbs gave a presentation about Thermal Conversion. He explained his experience with thermal conversion technology started in California when they were looking for renewable energy projects involving waste. Thermal conversion vaporizes material with high heat which creates syngas which has the heat content of 25%-33% of natural gas. Syngas can be used as hot air in a boiler to make steam to produce electricity or it can be cooled and cleaned and become a fuel source for combustible engines or turbines. Thermal conversion is a technology that drastically reduces landfill requirements. Biologically it produces inert residuals - no methane and no ground water threat as with landfills. Energy benefits - renewable energy; base load resource; fuel diversity - cost not based on natural gas. Material vaporizes, melts or gasifies.

Project Development Issues - Economics - Revenues to support itself; expense of building facility; competitive alternatives. Permitting - Emission. It can be an expensive process but there are less carcinogens than incineration.

There are three thermal conversion technologies. 1) Pyrolysis (heat without oxygen) 2) Gasification (heat using a little oxygen, but not enough to burn) and 3) Plasma Torch (electricity driven sparks).

The Board discussed these ideas and looked at pictures of established facilities in Europe using these technologies.

Mr. Willis thanked Mr. Tibbs for his presentation.

Mr. Willis introduced Clark Wiedetz Mr. Wiedetz gave a short overview of his experience. He explained that he was here to explain that technologies do exist to take care of a majority of municipal solid waste in an environmentally friendly way.

Alternative technologies can include solar, wind, landfill gas converted into methane and burned to produce electricity onsite or piped to a local industrial user(s); wastewater treatment plants; and waste-to-energy.

Mr. Wiedetz showed an example of a gasification plant in Georgia that takes waste carpet and waste wood and converts it into steam for the largest carpet manufacturer in the world. This facility can be used as a model for other facilities. Facilities like this create jobs; is environmentally friendly; and can offset coal consumption.

Anaerobic digestion is a naturally occurring process which takes place in a closed chamber which has a controlled environmental condition. These conditions increase decomposition and maximize gas generation. It's an ideal technology for our renewable energy future. It is efficient and environmental friendly and scalable. There are numerous digesters currently running today that manage biosolids generated by both animals and humans, and municipal waste (though none are operating in the United States). These facilities also create jobs and can be built on a relatively small piece of land.

Mr. Willis thanked both speakers. He encouraged the Board and Citizens Advisory Committee members to start thinking ahead to when the landfills will close and how one of these technologies could work in Lake County.

BOARD MATTERS

Consent

1. Expenditure Approval - \$205,632.60

Motion by Island Lake, seconded by Deerfield to approve the expenditure report. Motion was approved on a roll call vote of 23 to 0.

Action

1. City of Highwood's Request to be SWALCO Member.

Motion by Round Lake Park, seconded by Hainesville to approve having Highwood join SWALCO and to send an ordinance to all SWALCO members for approval. Highwood will pay the initial entry fee and the late fee is waived. Motion was unanimously approved.

2. Insurance Renewal

Steve Nelson gave a review of the insurance quotes. Berkley-Nautilus for General liability is \$18,569; Lloyds of London for property at \$19,370; Northland Insurance for auto at \$2,796. The insurance is \$2,200 less than last year.

Motion by Highland Park, seconded by Lake Bluff to approve the quotes for insurance at a cost of \$40,735. Motion was approved on a roll call vote of 23 to 0.

3. Electronics Collection Agreements with Cuba and Warren Township

Peter Adrian recommended approval of the two township Intergovernmental Agreements to serve as host sites for the collection of residential electronics.

Motion by Lake Forest, seconded by Third Lake to approve the Intergovernmental Agreements with Cuba and Warren Township for the collection of residential electronics. Motion was approved on a roll call vote of 23 to 0.

4. Amendment to the Lake County 2004 Solid Waste Management Plan Update

Mr. Willis reviewed the language change to be made to the Lake County Solid Waste Management Plan. This change is to clarify the intent of the language, for host community agreements, in the plan.

Motion by Lindenhurst, seconded by Highland Park to approve the Amendment to the Solid Waste Management Plan 2004. Motion was unanimously approved

Information Items

1. Legislative Update

Mr. Willis explained that SB 99 the Food Scrap Composting; SB 125, C&D Recycling Facilities and HB 266, Wood as a fuel source are the three bills that we are monitoring in Springfield.

The food scrap bill will facilitate including food scraps into existing landscape waste composting sites without requiring local siting. Local zoning is still applicable.

The C&D Recycling Facilities bill, that Senator Link is sponsoring for us, is out of the first chamber of the Senate and will now go to the House.

HB 266 which states that wood should be deemed a fuel source and should be used toward the diversion rate. Before a facility accepts wood, its permit must allow its acceptance.

2. Recycling Guidelines Initiative

Merleanne Rampale reviewed the guidelines that will be sent out to all villages/cities, residents and haulers so that there will be one consistent list of acceptable recyclable materials collected in Lake County. The guidelines address some of the most frequently asked questions concerning recycling and lists some of the common items that are not recyclable.

Ms. Rampale asked for any questions or comments to be addressed to her at the office.

3. Status of the Citizens Advisory Committee (CAC) and Plan Update

Ms. Rampale gave an overview of the first CAC meeting. The meeting was of a general nature and introductions were made. The CAC was told what their role would be in the planning update process and there was an overview of the 2004 Plan.

The second meeting of the CAC, in February, consisted of an overview by each staff member of their programs and projects and their recommendations for the 2009 Plan update. A tour was given to the CAC of the SWALCO facility. The CAC gave comments and input on each section that was reviewed and a vote was taken on the revised recommendations.

The next CAC meeting will be April 29, 2009 at 6:30 p.m. at the SWALCO office.

4. April/May HCW Collection Events

Mr. Nelson reviewed the upcoming household chemical waste (HCW) events for the next two months - both mobile and drop off.

5. 2008 Residential Electronic Collection Program Summary

Mr. Adrian reviewed the summary of all the 2008 Residential Electronic Collection Programs.

6. Health Department Report

There was no discussion.

7. Project and Program Updates

- 1) Mr. Willis continues to assist several members with their hauling contract issues.
- 2) Mr. Willis met with the Health Department to begin negotiations on an Intergovernmental Agreement regarding funding the Department's enforcement program. Larry Clark will develop an agreement between Lake County and SWALCO regarding the host fees, surcharge fees, fund balance transfer and funding of the Health Department.
- 3) Veolia and Waste Management have pending documents with SWALCO regarding amending the existing host agreements. Mr. Willis will continue to finalize these documents.
- 4) HDR has completed their evaluation of the odor issue at Countryside Landfill. The memo and WMI's response to the recommendations were both sent to SWALCO members. Walter will discuss the study at the Lake County Public Works Committee in April. WM agrees that maintaining the landfill in proper working order is an ongoing effort.
- 5) Mr. Willis met with Republic Services to discuss Republic's interest in providing more collection services in Lake County. Republic is also interested in negotiating a host agreement with SWALCO to compensate the Agency for waste collected from SWALCO members that is taken to one of Republic's landfills in Wisconsin.
- 6) Mr. Willis met with Lake County Public Works to discuss joint marketing of SWALCO's pharmaceutical take back program. The goal is to work jointly to better inform residents of SWALCO's ability to accept and properly dispose of pharmaceuticals.
- 7) Mr. Willis stated that he will talk to the Executive Committee about our website. He will discuss whether we should stay with the county site or if we should have our own stand-alone website. Mr. Willis is not happy with the site right now. If it makes sense to the board, to spend some extra money on our own site, we will do so. We will get multiple quotes for the cost of changing the website to our own.
- 8) The USEPA has issued an RFP for grant money to increase recycling of food

waste and composting and construction and demolition debris. Both are areas of interest to SWALCO. If any members are interested in working with SWALCO on a grant application for a pilot program please let us know.

- 9) The Plastic Bag Task Force met in January. Pete is working on this task force and we have sent the survey out to retail and grocery establishment asking them to participate in the program. The goal is to start the program later this spring for several months.
- 10) Mr. Robert Van Tholen and Mr. Don Schmidt no longer work for Waste Management Recycle America. Mike Tunney is overseeing the operations at this time. Based on the first three months of data for 2009, SWALCO members will not be receiving a Per Ton Payment for the first quarter.

BOARD MATTERS

Three terms on the Executive Committee are expiring in June - Mr. Street, Mr. Mueller and Mr. Ryback. If you want to be considered for one of these vacancies, please submit a letter of nomination to Barb Amadei, Secretary.

Mr. Mount thanked all the members of the board for their service and for those who might not win their election, he thanked them for serving on the SWALCO Board and wished them well.

ADJOURNMENT

Chairman Mount stated that the next meeting of the Board will be June 25, 2009.

Motion by Zion, seconded by Hainesville to adjourn. Motion as approved.

DATE: 3-26-09

VOTING RECORD

MEMBER MUNICIPALITY	Call	Expend Report 2005-2006		Insurance Renewals		FHA Cuban + Washington Township + Gurnee		Attachment 2	
		A	N	A	N	A	N	A	N
ANTIOCH	✓	✓		✓		✓			
BEACH PARK									
DEER PARK	✓	✓		✓		✓			
DEERFIELD	✓	✓		✓		✓			
FOX LAKE	✓	✓		✓		✓			
GRAYSLAKE									
GREEN OAKS	✓	✓		✓		✓			
GURNEE									
HAINESVILLE	✓	✓		✓		✓			
HAWTHORN WOODS									
HIGHLAND PARK	✓	✓		✓		✓			
ISLAND LAKE	✓	✓		✓		✓			
KILDEER									
LAKE BARRINGTON									
LAKE BLUFF	✓	✓		✓		✓			
LAKE COUNTY									
LAKE FOREST	✓	✓		✓		✓			
LAKE VILLA									
LAKE ZURICH									
LIBERTYVILLE	✓	✓		✓		✓			
LINCOLNSHIRE	✓	✓		✓		✓			
LINDENHURST	✓	✓		✓		✓			
LONG GROVE	✓	✓		✓		✓			
MUNDELEIN	✓	✓		✓		✓			
NORTH BARRINGTON									
NORTH CHICAGO									
PARK CITY									
PORT BARRINGTON									
RIVERWOODS	✓	✓		✓		✓			
ROUND LAKE	✓	✓		✓		✓			
ROUND LAKE BEACH	✓	✓		✓		✓			
ROUND LAKE HEIGHTS									
ROUND LAKE PARK	✓	✓		✓		✓			
THIRD LAKE	✓	✓		✓		✓			
TOWER LAKES									
VERNON HILLS	✓	✓		✓		✓			
WADSWORTH									
WAUCONDA	✓	✓		✓		✓			
WAUKEGAN									
WINTHROP HARBOR									
ZION	✓	✓		✓		✓			
GREAT LAKES									
TOTAL	23	23		23	0	23	0		

✓ on-time O late

SOLID WASTE AGENCY OF LAKE COUNTY (SWALCO)
BOARD OF DIRECTORS

COMMUNITY	REPRESENTATIVE	TITLE
ANTIOCH	<i>Jim Kenin</i>	ASST. ADMINISTRATOR
BEACH PARK		
DEER PARK	<i>PAT FLAUTZ</i>	Trustee
DEERFIELD	<i>Ken S. Sht</i>	V. Manager
FOX LAKE	<i>JOHN HARAHAN</i>	TREASURER
GRAYSLAKE		
GREEN OAKS	<i>JOHN WAGNER</i>	TRUSTEE
GURNEE		
HAINESVILLE	<i>Red Mueller</i>	Mayor
HAWTHORN WOODS		
HIGHLAND PARK	<i>Steve Marshall</i>	COUNCILMAN
ISLAND LAKE	<i>John Smith</i>	FINANCE DIRECTOR
KILDEER		
LAKE BARRINGTON		
LAKE BLUFF	<i>Drew Smith</i>	Village Admin.
LAKE COUNTY	<i>Dan Johnson</i>	Lake County Board
LAKE FOREST	<i>Michael Thomas</i>	Supt. of Public Works
LAKE VILLA		
LAKE ZURICH		
LIBERTYVILLE	<i>Kelly Amidei</i>	ASST. Village Administrator
LINCOLNSHIRE	<i>John Amidei</i>	Admin.
LINDENHURST	<i>Genevieve Metcalfe</i>	TRUSTEE
LONG GROVE	<i>James Smith</i>	TRUSTEE
MUNDELEIN	<i>Mike Flynn</i>	Asst. Village Admin.
NORTH BARRINGTON		
NORTH CHICAGO	<i>Tamara Simile</i>	Asst. to Chief of Staff
PARK CITY		
PORT BARRINGTON		
RIVERWOODS	<i>Russell Gray</i>	Director, Community Services
ROUND LAKE	<i>Louis P. Clark</i>	PW Director
ROUND LAKE BEACH	<i>Larry T. Mound</i>	TRUSTEE
ROUND LAKE HEIGHTS		
ROUND LAKE PARK	<i>Marty Nelson</i>	Trustee
THIRD LAKE	<i>Bob Kawacke</i>	TRUSTEE
TOWER LAKES		
VERNON HILLS	<i>Roll H. Brown</i>	Village Engineer
WADSWORTH		
WAUCONDA	<i>Jackie Soccorso</i>	Director of Env. Quality
WAUKEGAN		
WINTHROP HARBOR		
ZION	<i>FRANK FLAMMINI</i>	COMMISSIONER
GREAT LAKES		

DATE: 3-26-09

SIGN-IN SHEET

PUBLIC SIGN-IN SHEET

[illegible]

Date 3-26-09

Consent - 1. Expenditure Approval

ISSUE: Approve Expenditures

RECOMMENDATION: I recommend approval

TIMING: Routine

BACKGROUND: The Board of Directors authorized the Executive Director to pay expenditures under \$10,000. The Executive Director submits the monthly expenditures to the Board for approval.

The total for Administration - \$106,475.92; Education - \$0; Household Chemical Waste - \$9,665.10; Recycling \$0; Affected Area Compensation Fees - \$95,571.91; Total expenditures for May/June 2009 - \$211,712.93

ENCLOSED DOCUMENTS: BOSS Expenditure Report

STAFF: Barbara Amadei, Executive

Expenditure Report May/June 2009

Adminstration

Account: 930-9200010-51110-000-000-000000 SWALCO - Solid Waste Prog-SWALCO Administration-
Regular Salaries And Wage--

01-MAY-09 Payroll	Payroll 2899230:	Payroll USD Cor	Journal Import Create	1,046.10
01-MAY-09 Payroll	Payroll 2899230:	Payroll USD Cor	Journal Import Create	11,817.10
15-MAY-09 Payroll	Payroll 2919867:	Payroll USD Cor	Journal Import Create	272.25
15-MAY-09 Payroll	Payroll 2919867:	Payroll USD Cor	Journal Import Create	12,590.95
29-MAY-09 Payroll	Payroll 2941304:	Payroll USD Cor	Journal Import Create	3,070.06
29-MAY-09 Payroll	Payroll 2941304:	Payroll USD Cor	Journal Import Create	9,793.14

Account: 930-9200010-51120-000-000-000000 SWALCO - Solid Waste Prog-SWALCO Administration-
Part Time Salaries And Wa--

01-MAY-09 Payroll	Payroll 2899230:	Payroll USD Cor	Journal Import Create	201.14
01-MAY-09 Payroll	Payroll 2899230:	Payroll USD Cor	Journal Import Create	754.30
15-MAY-09 Payroll	Payroll 2919867:	Payroll USD Cor	Journal Import Create	1,131.44
29-MAY-09 Payroll	Payroll 2941304:	Payroll USD Cor	Journal Import Create	980.57

Account: 930-9200010-51180-000-000-000000 SWALCO - Solid Waste Prog-SWALCO Administration-
Special Pay-----

01-MAY-09 Payroll	Payroll 2899230:	Payroll USD Cor	Journal Import Create	533.07
15-MAY-09 Payroll	Payroll 2919867:	Payroll USD Cor	Journal Import Create	533.07
29-MAY-09 Payroll	Payroll 2941304:	Payroll USD Cor	Journal Import Create	533.07

Account: 930-9200010-61040-000-000-000000 SWALCO - Solid Waste Prog-SWALCO Administration-
Operational Supplies----

PITNEY BOWES	903600	wablapitneysuppl	postage supplies	55.78
COMMONWEALTH EDISON C	900930	wablacomedapril2	electric service april	1,127.70
LAKE COUNTY SOIL & WA	902555	wablarainbarrel	rain barrel	79.00

Account: 930-9200010-71110-000-000-00000 SWALCO - Solid Waste Prog-SWALCO Administration-
Auditing And Accounting----

VIRCHOW KRAUSE & COMP 907520 VK393436 SWALCO audit for fisca 4,370.50

Account: 930-9200010-71150-000-000-00000 SWALCO - Solid Waste Prog-SWALCO Administration-
Consultants-----

KIPLUND R KOIKMEIER 902441 wablakolkmeier2n Blanket P.O. for perio 8,500.00
SHAW ENVIRONMENTAL IN 911807 440611-R8-00501s Consultant to provide 6,412.62
SHAW ENVIRONMENTAL IN 911807 450003-R8-00501 Consultant to provide 4,569.70

Account: 930-9200010-71630-000-000-00000 SWALCO - Solid Waste Prog-SWALCO Administration-
Garbage Disposal-----

VEOLIA ENVIRONMENTAL 910815 T20000741866 Rolloff box services (485.00

Account: 930-9200010-71910-000-000-00000 SWALCO - Solid Waste Prog-SWALCO Administration-Gas
For Heating-----

NORTH SHORE GAS CO 903337 wablanorthshoreg heating gas for swalco 618.27
NORTH SHORE GAS CO 903337 wablanorthshoreg heating gas for swalco 618.27
NORTH SHORE GAS CO 903337 wablanorthshoreg heating gas for swalco -618.27

Account: 930-9200010-71940-000-000-00000 SWALCO - Solid Waste Prog-SWALCO Administration-
Telephone-----
VERIZON WIRELESS 904756 wablaapr-may2012 cell phones for apr-ma 211.06
CALL ONE 914749 wablacallonemay2 phones for may 2009 232.90

Account: 930-9200010-72410-000-000-00000 SWALCO - Solid Waste Prog-SWALCO Administration-All
Other Maintenance And--

NORSHORE ALARM CO INC 903323 INV31154 Alarm Monitoring july 156.00

Account: 930-9200010-72530-000-000-00000 SWALCO -
Solid Waste Prog-SWALCO Administration-Equipment Rental-----

NORTH SHORE BUSINESS 903333 104608SWALCO copier copies and leas 714.23

Account: 930-9200010-73195-000-000-00000 SWALCO - Solid Waste Prog-SWALCO Administration-
Indirect Cost Allocations--

INTERFUND-FINANCE ADM 905054 120002306 Indirect Cost 2009 16,083.00

Account: 930-9200010-74080-000-000-00000 SWALCO -
Solid Waste Prog-SWALCO Administration-H/L/D Employee Benefits----

01-MAY-09 Payroll	Payroll 2899230:	Payroll USD Cor	Journal Import Create	33.70
01-MAY-09 Payroll	Payroll 2899230:	Payroll USD Cor	Journal Import Create	2,410.12
15-MAY-09 Payroll	Payroll 2919867:	Payroll USD Cor	Journal Import Create	33.70
15-MAY-09 Payroll	Payroll 2919867:	Payroll USD Cor	Journal Import Create	2,410.12

Account: 930-9200010-74100-000-000-00000 SWALCO - Solid Waste Prog-SWALCO Administration-
Retirement Benefits/FICA---

01-MAY-09 Payroll	Payroll 2899230:	Payroll USD Cor	Journal Import Create	73.09
01-MAY-09 Payroll	Payroll 2899230:	Payroll USD Cor	Journal Import Create	990.97
15-MAY-09 Payroll	Payroll 2919867:	Payroll USD Cor	Journal Import Create	86.56
15-MAY-09 Payroll	Payroll 2919867:	Payroll USD Cor	Journal Import Create	990.94
29-MAY-09 Payroll	Payroll 2941304:	Payroll USD Cor	Journal Import Create	75.01
29-MAY-09 Payroll	Payroll 2941304:	Payroll USD Cor	Journal Import Create	1,013.06

Account: 930-9200010-74110-000-000-00000 SWALCO - Solid Waste Prog-SWALCO Administration-
Retirement Benefits/IMRF---

01-MAY-09 Payroll	Payroll 2899230:	Payroll USD Cor	Journal Import Create	82.07
01-MAY-09 Payroll	Payroll 2899230:	Payroll USD Cor	Journal Import Create	1,065.70
15-MAY-09 Payroll	Payroll 2919867:	Payroll USD Cor	Journal Import Create	97.19
15-MAY-09 Payroll	Payroll 2919867:	Payroll USD Cor	Journal Import Create	1,065.70
29-MAY-09 Payroll	Payroll 2941304:	Payroll USD Cor	Journal Import Create	84.23
29-MAY-09 Payroll	Payroll 2941304:	Payroll USD Cor	Journal Import Create	1,091.74

Account: 930-9200010-79930-000-000-00000 SWALCO - Solid Waste Prog-SWALCO Administration-
Miscellaneous Contingency--

KIPLUND R KOLKMEIER 902441 wablakolkmeier2n Supplemental annual 20 7,500.00

Account: 930-9200010-79940-000-000-00000 SWALCO - Solid Waste Prog-SWALCO Administration-
Miscell Contractual Servi--

ALPHA BUILDING MAINTN 900186 9542 SWL Blanket Order for Jani 250.00
G T LANDSCAPING 907883 wablagtapril2009 lawn maintenance 250.00

9200010 Management Center Total 106,475.92

Household Chemical Waste

Account: 930-9200030-71150-000-000-00000
Consultants-----

SWALCO - Solid Waste Prog-Household Hazard Waste-

CLEANHARBORS ENVIRONM	907877	C70942626	Blanket Order for Labo	1,628.79
CLEANHARBORS ENVIRONM	907877	C70942626	Blanket Order for Labo	1,628.80
CLEANHARBORS ENVIRONM	907877	C70942626	Blanket Order for Labo	-1,628.80
CLEANHARBORS ENVIRONM	907877	C70951290		5,643.24

Account: 930-9200030-71630-000-000-00000
Garbage Disposal-----

SWALCO - Solid Waste Prog-Household Hazard Waste-

VEOLIA ENVIRONMENTAL	910815	T200007411466	Trash and recycling se	66.56
VEOLIA ENVIRONMENTAL	910815	T20000739282	Trash and recycling se	102.51
VEOLIA ENVIRONMENTAL	910815	T200007475547	Trash and recycling se	99.72
VEOLIA ENVIRONMENTAL	910815	T20000747751	Trash and recycling se	33.28

Account: 930-9200030-79940-000-000-00000
Miscell Contractual Servi-

SWALCO - Solid Waste Prog-Household Hazard Waste-

JACKS TENTS & PRODUCT	902179	wablajacksvh2009	Tent rental/delivery s	902.00
BURRIS EQUIPMENT CO I	900650	RL31438	Delivery and rental of	299.00
JACKS TENTS & PRODUCT	902179	wablajacksfl2009	Tent rental/delivery s	890.00

9200030

Management Center Total

9,665.10

Affected Area Compensation Fee

Account: 930-9200050-71980-000-000-00000

SWALCO - Solid Waste Prog-Affected Area-Affected

Area Compensation-----

01-MAY-09 Adjustment	Spreadsheet 2904	To reverse and	To reverse	AACF paya	73,767.38
13-MAY-09 Adjustment	Spreadsheet 2910	To Reverse and	Reverses "To reverse		-73,767.38
13-MAY-09 Adjustment	Spreadsheet 2910	To Reverse and	Reverses "To accrue i		-73,767.38
INTERFUND-FINANCE ADM	905054	wablaveoliamar20	veolia march 2008 aacf		45,648.55
INTERFUND-FINANCE ADM	905054	wablammmar2009aa	wm march 2008 aacf		77,778.39
INTERFUND-FINANCE ADM	905054	121698swalco	veolia April 2009 AACF		45,912.35

9200050

Management Center Total

95,571.91

Grand Total

211,712.93

A – 1. Public Officials Liability Insurance Award

ISSUE: Secure Public Official Liability Insurance

RECOMMENDATION: Recommend approval

TIMING: Routine

BACKGROUND: Public Officials Liability coverage is secured to protect SWALCO, its directors and employees against any wrongful acts, errors or omissions. This is an annual policy with a coverage limit of \$1,000,000. SWALCO has maintained this coverage since our inception. The current policy is due to expire on July 24, 2009.

Arthur Gallagher Risk Management Services, our insurance broker, solicited competitive quotes for this policy, two quotes came back. RSUI, our current carrier, quoted a premium of \$5,100 (\$100 more than last year) and Westchester Fire Insurance (\$2,280).

Although not low bid, Arthur Gallagher recommends that we stay with RSUI as they have the Public Officials Extension endorsement (a significant coverage enhancement) to their policy which covers third party entities such as volunteer groups (i.e. our CAC committee) and elected officials.

Based on AJ Gallagher's recommendation, and our review, we request your approval to secure RSUI as our Public Officials Liability insurance provider for 2009/20010.

FISCAL IMPACT: Administration 9200010 object code 72110 Liability Insurance \$5,100.00.

ENCLOSED DOCUMENTS: Premiums/Fee Comparison Chart, Coverage Extension

STAFF: Barbara L. Amadei, Executive and Steve Nelson, HCW Engineer

Market Review

Obtaining a comprehensive and competitively priced program of insurance in the marketplace requires more than access to the market. Past experience and credibility with markets are the foundation of a successful campaign for your company. Accurate and detailed specifications are essential in all of Arthur J. Gallagher Risk Management Services, Inc. communications to each insurance company contacted.

Insurance Carrier	Coverages	<u>Carrier Position</u>
		<ul style="list-style-type: none"> • Quoted • Declined & Reason • Indication • Verbal Quote
RSUI	Public Officials Liab / EPLI	Quoted
Westchester Fire Insurance	Public Officials Liab / EPLI	Quoted
USLI	Public Officials Liab / EPLI	Declined due to nature of operation
Beazley Insuarncce	Public Officials Liab / EPLI	Declined due to class of business
Great America	Public Officials Liab / EPLI	Declined due to class of business
CNA	Public Officials Liab / EPLI	Declined due to class of business
Zurich	Public Officials Liab / EPLI	No response
Travelers	Public Officials Liab / EPLI	No response
Philadelphia	Public Officials Liab / EPLI	No response



Arthur J. Gallagher Risk Management Services, Inc.

This Endorsement Changes The Policy. Please Read It Carefully.

COVERAGE EXTENSION - PUBLIC OFFICIALS

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY – NOT FOR PROFIT ORGANIZATION

This policy is amended as follows:

A. SECTION III. – DEFINITIONS, H., I. and O. are deleted and replaced by the following:

H. **Insured Organization** means the municipality, governmental body, department or unit which is named in Item 1. of the Declarations Page.

I. **Insured Person** means:

1. All persons who were, now are or shall be lawfully elected or appointed officials or **Employees** while acting solely in his or her capacity as such or on behalf of the **Insured Organization**;
2. Commissions, boards, or other units, and members and **Employees** thereof, operated by and under the jurisdiction of such **Insured Organization** and within an apportionment of the total operating budget submitted to the **Insurer**;
3. Volunteers acting solely in his or her capacity as such or on behalf of, at the request of and under the direction of, the **Insured Organization**; and
4. Officials and **Employees** of the **Insured Organization** appointed at the request of the **Insured Organization** to serve with an outside tax exempt entity.

O. **Wrongful Act** means:

1. With respect to an **Insured Person**, any **Employment Practices Wrongful Act** or any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty while acting solely in his or her capacity as such and on behalf of the **Insured Organization**; or
2. With respect to the **Insured Organization**, any **Employment Practices Wrongful Act** or any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by or on behalf of the **Insured Organization**.

B. SECTION III. – DEFINITIONS, L. **Personal Injury Wrongful Act** shall be deleted in its entirety.

C. SECTION IV. – EXCLUSIONS, 7. a. and b. are deleted and replaced by the following:

7. Brought by or on behalf of one **Insured** against another **Insured**, however, with respect to any allegations of an **Employment Practices Claim**, this EXCLUSION shall only apply to cross-claims or counter-claims brought by one **Insured** against another **Insured**;

D. SECTION IV. – EXCLUSIONS, 9. is deleted and replaced by the following:

9. Alleging, arising out of, based upon or attributable to, in whole or in part, the performance or rendering of or failure to perform professional services to anyone other than the **Insured Organization** by any member of the medical profession, or by any lawyer, architect, engineer or accountant;

E. SECTION IV. – EXCLUSIONS shall be amended by adding the following:

12. Alleging, arising out of, based upon or attributable to inverse condemnation, temporary or permanent taking, adverse possession or dedication by adverse use;
13. Alleging, arising out of, based upon or attributable to strikes, riots or civil commotion;

Policy No.:

Effective:

A – 2. Fiscal Year 2008 Audit

ISSUE: Approve Audit

RECOMMENDATION: I recommend approval.

TIMING: Routine.

BACKGROUND: SWALCO By-Laws and Illinois law requires that joint action agencies undertake an annual audit. This year the firm of Virchow, Krause & Company, LLP. undertook the audit. This is the same firm, which audits Lake County.

The audit includes a Statement of Net Assets and a Statement of Revenues, Expenses and Changes in Net Assets, Statement of Cash Flows and a letter to the Board of Directors concerning comments and recommendations.

This year's audit is in conformance with the Government Accounting standard Board (GASB) 34 model. It includes fixed assets and depreciation schedules. Upon your approval, the final audit will be posted on our web site.

Unless otherwise directed the audit will be posted to our website for our members, their auditors and any interested parties.

ENCLOSED DOCUMENTS: Audit November 30, 2008 and 2007

STAFF: Walter Willis, Executive Director and Barbara L. Amadei, Executive

**SOLID WASTE AGENCY OF
LAKE COUNTY, ILLINOIS**
Gurnee, Illinois

FINANCIAL STATEMENTS

November 30, 2008 and 2007

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS
Gurnee, Illinois

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Solid Waste Agency of Lake County, Illinois
Gurnee, Illinois

We have audited the accompanying statements of net assets of the Solid Waste Agency of Lake County, Illinois (SWALCO), as of and for the years ended November 30, 2008 and 2007, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of SWALCO's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Solid Waste Agency of Lake County, Illinois, as of November 30, 2008 and 2007, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

SWALCO has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to supplement, although not to be part of, the financial statements.

The budgetary comparison information (pages 12 – 13) and schedule of funding progress (page 14) is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Madison, Wisconsin
May 28, 2009

Virchow Krause & Company LLP

SOLID WASTE AGENCY OF LAKE COUNTY

STATEMENTS OF NET ASSETS November 30, 2008 and 2007

ASSETS			
		<u>2008</u>	<u>2007</u>
CURRENT ASSETS			
Cash		\$ 264,521	\$ 362,275
Affected area compensation fees receivable		215,914	277,335
Other receivables		309,282	202,300
Prepaid insurance		<u>41,771</u>	<u>25,798</u>
Total Current Assets		<u>831,488</u>	<u>867,708</u>
NON-CURRENT ASSETS			
Capital Assets			
Plant in service		2,154,946	2,154,946
Accumulated depreciation		<u>(565,806)</u>	<u>(468,242)</u>
Total Non-Current Assets		<u>1,589,140</u>	<u>1,686,704</u>
TOTAL ASSETS		<u>2,420,628</u>	<u>2,554,412</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable		35,137	23,966
Affected area compensation expense payable		312,592	476,557
Accrued payroll		1,149	569
Compensated absences		<u>4,809</u>	<u>3,294</u>
Total Current Liabilities		<u>353,687</u>	<u>504,386</u>
Total Liabilities		<u>353,687</u>	<u>504,386</u>
NET ASSETS			
Invested in capital assets		1,589,140	1,686,704
Unrestricted		<u>477,801</u>	<u>363,322</u>
TOTAL NET ASSETS		<u>\$ 2,066,941</u>	<u>\$ 2,050,026</u>

See accompanying notes to financial statements.

SOLID WASTE AGENCY OF LAKE COUNTY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS Years Ended November 30, 2008 and 2007

	2008	2007
OPERATING REVENUES		
County surcharge	\$ 873,632	\$ 841,681
Affected area compensation fees	1,760,810	1,905,362
Member fees	220,015	-
Other miscellaneous	1,975	6,558
Total Operating Revenues	<u>2,856,432</u>	<u>2,753,601</u>
OPERATING EXPENSES		
Personnel services	382,337	361,655
Operational services	34,147	22,774
Contractual services	2,327,443	2,512,550
Capital outlay	2,073	2,244
Depreciation	97,564	89,409
Total Operating Expenses	<u>2,843,564</u>	<u>2,988,632</u>
OPERATING INCOME (LOSS)	<u>12,868</u>	<u>(235,031)</u>
NON-OPERATING INCOME		
Investment income	<u>4,047</u>	<u>8,583</u>
CHANGE IN NET ASSETS	16,915	(226,448)
NET ASSETS - Beginning of Year	<u>2,050,026</u>	<u>2,276,474</u>
NET ASSETS - END OF YEAR	<u>\$ 2,066,941</u>	<u>\$ 2,050,026</u>

See accompanying notes to financial statements.

SOLID WASTE AGENCY OF LAKE COUNTY

STATEMENTS OF CASH FLOWS Years Ended November 30, 2008 and 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 2,810,871	\$ 3,459,968
Paid to suppliers for goods and services	(2,535,144)	(2,747,757)
Paid to employees for services	(377,528)	(348,944)
Net Cash Flows From Operating Activities	<u>(101,801)</u>	<u>363,267</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	<u>-</u>	<u>(224,773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>4,047</u>	<u>8,583</u>
Net Change in Cash and Cash Equivalents	(97,754)	147,077
CASH AND CASH EQUIVALENTS – Beginning of Year	<u>362,275</u>	<u>215,198</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$ 264,521</u>	<u>\$ 362,275</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 12,868	\$ (235,031)
Non-cash items included in operating income (loss)		
Depreciation	97,564	89,409
Changes in assets and liabilities		
Affected area compensation fees receivable	61,421	13,958
Other receivables	(106,982)	692,409
Prepaid insurance	(15,973)	(10,856)
Accounts payable	11,171	(42,396)
Affected area compensation expense payable	(163,965)	(127,301)
Accrued payroll and compensated absences	<u>2,095</u>	<u>(16,925)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (101,801)</u>	<u>\$ 363,267</u>

See accompanying notes to financial statements.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Solid Waste Agency of Lake County, Illinois (SWALCO), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by SWALCO are described below:

REPORTING ENTITY

SWALCO is a municipal corporation formed by Lake County and 40 municipalities within Lake County for the purpose of implementing the Lake County Solid Waste Management Plan. SWALCO has a Board of Directors made up from these members, an Executive Committee (three at large and six elected members), a Legislative Committee and five staff members. SWALCO is established pursuant to the Intergovernmental Cooperation Act of the State of Illinois, the Illinois Local Solid Waste Disposal Act, the Illinois Planning and Recycling Act and Lake County Board Resolution #38 of September 12, 1989. Operations began on February 21, 1991. Following criteria established by GASB, SWALCO is not considered a component unit of the county.

MISSION STATEMENT AND OBJECTIVES

SWALCO implements a regional approach to solid waste management by addressing the economic, political and environmental issues in Lake County, and by meeting the following objectives:

- Implement and update the Lake County Solid Waste Management Plan.
- Facilitate an efficient, reliable and environmentally sound waste disposal system.
- Advise and assist SWALCO members regarding solid waste management issues.
- Educate the public regarding the implications of solid waste management options.
- Identify and disseminate information regarding techniques to reduce, reuse and recycle solid waste.

The entity generally does not dispose of solid waste for its members.

FUNDING

The agency is funded from a surcharge imposed at sanitary landfills. The surcharge also funds the Health Department's enforcement program. In addition, the agency receives host fees from the landfills and transfers those fees to Lake County.

In 2008, the agency implemented a yearly operations and maintenance fee to its members based on the number of households in each member community.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

SWALCO is presented following enterprise fund accounting. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in SWALCO's financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Entities also have the option of following subsequent private-sector guidance subject to this same limitation. SWALCO has elected not to follow subsequent private-sector guidance.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ASSETS, LIABILITIES AND NET ASSETS

Deposits and Investments

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition. SWALCO's deposits and investments are maintained by the Treasurer of Lake County in pooled deposit and investment accounts. The county's policy is to maintain collateral for all deposits.

Receivables/Payables

Other receivables consist of membership fees being paid over a number of years from member communities and other miscellaneous amounts due to SWALCO. Accounts payable consists of amounts due from SWALCO to outside parties for goods and services received.

Affected Area Compensation Fees Receivable / Expense Payable

Affected area compensation fees receivable consists of a per ton solid waste fee due to SWALCO from in county landfill owners. Affected area compensation expense payable consists of amounts due to Lake County from the per ton solid waste fee.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, LIABILITIES AND NET ASSETS (cont.)

Prepaid Insurance

Prepaid insurance represents insurance premiums which benefit subsequent periods.

Capital Assets

Capital assets are generally defined by SWALCO as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year.

Capital assets of SWALCO are recorded at cost or the fair market value at the time of contribution to SWALCO. Major outlays for SWALCO capital assets are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the capital assets constructed, net of interest earned on the invested proceeds over the same period. Capital assets in service are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Land improvements	5 – 10
Buildings	30
Office furniture and equipment	2 – 10

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Vested vacation and sick leave pay is accrued when earned in the financial statements. The liability is liquidated from SWALCO's general operating revenues.

REVENUES AND EXPENSES

SWALCO distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with SWALCO's principal ongoing operations. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

COMPARATIVE DATA

Certain amounts represented in the prior year data have been reclassified in order to be consistent with the current year presentation.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2008 and 2007

NOTE 2 – DEPOSITS AND INVESTMENTS

Generally accepted accounting principles require the disclosure of SWALCO's cash and investment balances and their applicable risks. SWALCO's cash and investments are commingled with the Treasurer of Lake County, Illinois; therefore, individual fund bank balances cannot be determined. Please refer to Lake County's statements for further information.

NOTE 3 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for 2008 follows:

	Balance 12/1/07	Increases	Decreases	Balance 11/30/08
Capital assets, not being depreciated				
Land	\$ 166,217	\$ -	\$ -	\$ 166,217
Total Capital Assets Not Being Depreciated	<u>166,217</u>	<u>-</u>	<u>-</u>	<u>166,217</u>
Capital assets being depreciated				
Land improvements	96,352	-	-	96,352
Buildings	1,678,340	-	-	1,678,340
Office furniture and equipment	<u>214,037</u>	<u>-</u>	<u>-</u>	<u>214,037</u>
Total Capital Assets Being Depreciated	<u>1,988,729</u>	<u>-</u>	<u>-</u>	<u>1,988,729</u>
Total Capital Assets	<u>2,154,946</u>	<u>-</u>	<u>-</u>	<u>2,154,946</u>
Less: Accumulated depreciation	<u>(468,242)</u>	<u>(97,564)</u>	<u>-</u>	<u>(565,806)</u>
Net Capital Assets	<u>\$ 1,686,704</u>			<u>\$ 1,589,140</u>

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2008 and 2007

NOTE 3 – CHANGES IN CAPITAL ASSETS (cont.)

A summary of changes in capital assets for 2007 follows:

	Balance 12/1/06	Increases	Decreases	Balance 11/30/07
Capital assets, not being depreciated				
Land	\$ 166,217	\$ -	\$ -	\$ 166,217
Construction work in progress	51,092	-	51,092	-
Total Capital Assets Not Being Depreciated	<u>217,309</u>	<u>-</u>	<u>51,092</u>	<u>166,217</u>
Capital assets being depreciated				
Land improvements	72,515	23,837	-	96,352
Buildings	1,495,413	182,927	-	1,678,340
Office furniture and equipment	157,028	57,009	-	214,037
Total Capital Assets Being Depreciated	<u>1,724,956</u>	<u>263,773</u>	<u>-</u>	<u>1,988,729</u>
Total Capital Assets	<u>1,942,265</u>	<u>263,773</u>	<u>51,092</u>	<u>2,154,946</u>
Less: Accumulated depreciation	<u>(378,833)</u>	<u>(89,409)</u>	<u>-</u>	<u>(468,242)</u>
Net Capital Assets	<u>\$ 1,563,432</u>			<u>\$ 1,686,704</u>

NOTE 4 – NET ASSETS

GASB No. 34 requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. SWALCO has no restricted assets.

Unrestricted net assets - The component of net asset consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2008 and 2007

NOTE 4 – NET ASSETS (cont.)

The following calculation supports the net assets invested in capital assets, net of related debt as of November 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Plant in service	\$ 2,154,946	\$ 2,154,946
Accumulated depreciation	<u>(565,806)</u>	<u>(468,242)</u>
Sub-Totals	1,589,140	1,686,704
Less: Capital related debt	<u>-</u>	<u>-</u>
Total Net Assets Invested in Capital Assets	<u>\$ 1,589,140</u>	<u>\$ 1,686,704</u>

NOTE 5 – CONTINGENCIES AND COMMITMENTS

CONTINGENT LIABILITIES

Due to the nature of SWALCO's operations, claims and legal actions against hazardous waste disposal may be incurred. No amount has been recorded as a loss because the probability, or amount, cannot be reasonably estimated.

LANDFILL CONTRACTS

SWALCO has executed waste disposal capacity agreements with three landfills. The agreements were executed to provide guaranteed disposal capacity to the participating communities over their 20 year term. The agreements further call for monthly payments to SWALCO based on the tonnage received from the members. Complete terms and conditions of the agreement are available from SWALCO offices.

NOTE 6 – RISK MANAGEMENT

SWALCO is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2008 and 2007

NOTE 7 – EMPLOYEES RETIREMENT SYSTEM

All full-time employees participate in the Illinois Municipal Retirement Fund (IMRF) through Lake County. The IMRF provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. All permanent employees expected to work over 600 hours a year are eligible to participate in the IMRF. Employees participating in the IMRF were required by statute to contribute 4.5% of their annual covered salary in calendar years 2008, 2007, and 2006. The employer rate for calendar years 2008, 2007, and 2006 were 9.02%, 9.02%, 10.30%, respectively. All employer contributions are made by the county with a portion of the cost being allocated to SWALCO. The actuarial valuation of the plan is computed for the county as a whole and; therefore, it is impractical to determine SWALCO's proportionate share.

IMRF is established under statutes adopted by the Illinois General Assembly, and is governed by a Board of eight Trustees who must also be participating members and one Trustee who must be receiving an IMRF annuity. The IMRF issues an annual financial report which may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, IL 60523-2337, or by visiting the IMRF website at <http://www.imrf.org>.

Further details regarding the county's entire commitment to the fund can be found in the Lake County, Illinois financial statements.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS THAN PENSIONS (OPEB)

All full-time employees participate in a single-employer self-insured health care plan administered through Lake County. The Plan provides limited health care coverage at 100% of the active premium rate. The State of Illinois requires IMRF employers who offer health insurance to their active employees to offer the same health insurance to disabled members, retirees, and surviving spouses at the same premium rate for active employees. Therefore an implicit rate subsidy exists for retirees (that is, the difference between the premium rate charged to retirees for the benefit and the estimated rate that would be applicable to those retirees if that benefit were acquired for them as a separate group) resulting from the participation in postemployment healthcare plans that cover both active employees and retirees. The plan operates on a pay-as-you-go funding basis. No assets are accumulated or dedicated to funding the retiree health insurance benefits. The actuarial valuation of the plan is computed for the county as a whole. The Agency's portion of the liability is not considered material to the financial statements.

Further details regarding the county's entire commitment to the health care plan can be found in the Lake County, Illinois financial statements.

NOTE 9 – RELATED PARTIES

SWALCO is a stand-alone government as determined by criteria established by GASB. Lake County does provide certain services including, but not limited to, banking, general ledger, payroll and other data processing.

REQUIRED SUPPLEMENTARY INFORMATION

SOLID WASTE AGENCY OF LAKE COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BUDGET AND ACTUAL Year Ended November 30, 2008

	Budget	Actual	Variance
OPERATING REVENUES			
County surcharge	\$ 1,038,010	\$ 873,632	\$ (164,378)
Affected area compensation fees	1,717,825	1,760,810	42,985
Member fees	200,000	220,015	20,015
Other miscellaneous	5,000	1,975	(3,025)
Total Operating Revenues	<u>2,960,835</u>	<u>2,856,432</u>	<u>(104,403)</u>
OPERATING EXPENSES			
Personnel services	373,530	382,337	(8,807)
Operational services	38,000	34,147	3,853
Contractual services	2,412,455	2,327,443	85,012
Capital outlay	76,000	2,073	73,927
Depreciation	-	97,564	(97,564)
Total Operating Expenses	<u>2,899,985</u>	<u>2,843,564</u>	<u>56,421</u>
OPERATING INCOME	<u>60,850</u>	<u>12,868</u>	<u>(47,982)</u>
NON-OPERATING INCOME			
Investment income	<u>-</u>	<u>4,047</u>	<u>4,047</u>
CHANGE IN NET ASSETS	<u>60,850</u>	<u>16,915</u>	<u>\$ (43,935)</u>
NET ASSETS - Beginning of Year	<u>2,050,026</u>	<u>2,050,026</u>	
NET ASSETS - END OF YEAR	<u>\$ 2,110,876</u>	<u>\$ 2,066,941</u>	

See independent auditors' report and accompanying notes.

SOLID WASTE AGENCY OF LAKE COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BUDGET AND ACTUAL Year Ended November 30, 2007

	Budget	Actual	Variance
OPERATING REVENUES			
County surcharge	\$ 1,204,880	\$ 841,681	\$ (363,199)
Affected area compensation fees	1,717,825	1,905,362	187,537
Per ton fee	230,000	-	(230,000)
Other miscellaneous	9,400	6,558	(2,842)
Total Operating Revenues	<u>3,162,105</u>	<u>2,753,601</u>	<u>(408,504)</u>
OPERATING EXPENSES			
Personnel services	378,485	361,655	(16,830)
Operational services	27,400	22,774	(4,626)
Contractual services	2,706,620	2,512,550	(194,070)
Capital outlay	49,600	2,244	(47,356)
Depreciation	-	89,409	89,409
Total Operating Expenses	<u>3,162,105</u>	<u>2,988,632</u>	<u>(173,473)</u>
OPERATING LOSS	<u>-</u>	<u>(235,031)</u>	<u>(235,031)</u>
NON-OPERATING INCOME			
Investment income	<u>-</u>	<u>8,583</u>	<u>8,583</u>
CHANGE IN NET ASSETS	<u>-</u>	<u>(226,448)</u>	<u>\$ (226,448)</u>
NET ASSETS - Beginning of Year	<u>2,276,474</u>	<u>2,276,474</u>	
NET ASSETS - END OF YEAR	<u>\$ 2,276,474</u>	<u>\$ 2,050,026</u>	

See independent auditors' report and accompanying notes.

LAKE COUNTY PUBLIC WORKS DEPARTMENT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS November 30, 2008

The schedule of funding progress, presented as required supplementary information, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The schedule below represents Lake County as a whole, and does not separate SWALCO's proportionate share.

County						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
11/30/2008	\$	- \$ 43,576,000	\$ 43,576,000	0.00%	\$ 138,830,621	31.40%

We have omitted the IMRF required supplemental information as this is shown in the county financial statements. See Note 7 of these financial statements for detail of the Agency's participation in the IMRF.

